

Senate Study Bill 3279

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
MANAGEMENT BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the collection of delinquent debt owed the
2 state and political subdivisions of the state by requiring
3 offsets of gambling winnings, striking provisions related to
4 county attorney collections, providing for liens against a
5 decedent's estate, selling or writing off certain delinquent
6 court debt, modifying provisions relating to the deposit of
7 certain funds in the jury and witness fee fund, and making
8 penalties applicable.
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
10 TLSB 5215XD 82
11 jm/nh/8

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1 1 Section 1. Section 99D.2, Code 2007, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 2A. "Claimant agency" means a state
1 4 agency as defined in section 8A.504, subsection 1, or and the
1 5 state court administrator as defined in section 602.1101.
1 6 Sec. 2. Section 99D.7, Code 2007, is amended by adding the
1 7 following new subsection:
1 8 NEW SUBSECTION. 22A. To require licensees to establish a
1 9 process with the state for licensees to have electronic access
1 10 to names and social security numbers of debtors of claimant
1 11 agencies through a secured interactive web site maintained by
1 12 the state.
1 13 Sec. 3. NEW SECTION. 99D.28 SETOFF.
1 14 1. A claimant agency shall make available to a licensee,
1 15 through the process established in section 99D.7, subsection
1 16 22A, a list of the names of all persons indebted to such
1 17 claimant agency or to a person on whose behalf the claimant
1 18 agency is acting. The list shall contain the names of the
1 19 debtors, their social security numbers, and any other
1 20 information that assists the licensee in identifying the
1 21 debtors named in the list. Such list shall constitute a valid
1 22 lien upon and claim of lien against the winnings of any debtor
1 23 named in such list. If a debtor's winnings meet the minimum
1 24 level for state income tax withholding in section 422.16,
1 25 subsection 1, paragraph "d", the full amount of the debt shall
1 26 be collectible from any winnings due the debtor without regard
1 27 to limitations on the amounts that may be collectible in
1 28 increments through setoff or other proceedings.
1 29 2. The licensee is authorized and directed to withhold any
1 30 winnings of a debtor which are paid out directly by the
1 31 licensee subject to the lien created by this section provide
1 32 notice of such withholding to the winner when the winner
1 33 appears and claims winnings in person. The licensee shall pay
1 34 the funds over to the collection entity which administers the
1 35 setoff program pursuant to section 8A.504.
2 1 3. Notwithstanding any other provision of law to the
2 2 contrary, the licensee may provide to a claimant agency all
2 3 information necessary to accomplish and effectuate the intent
2 4 of this section, and likewise the claimant agency may provide
2 5 all information necessary to accomplish and effectuate the
2 6 intent of this section.
2 7 4. The information obtained by a claimant agency from the
2 8 licensee in accordance with this section shall retain its
2 9 confidentiality and shall only be used by a claimant agency in
2 10 the pursuit of its debt collection duties and practices. An
2 11 employee or prior employee of a claimant agency who unlawfully
2 12 discloses any such information for any other purpose, except
2 13 as otherwise specifically authorized by law, shall be subject

2 14 to the penalties specified by law for unauthorized disclosure
2 15 of confidential information by an agent or employee of the
2 16 claimant agency.

2 17 5. The information obtained by a licensee from a claimant
2 18 agency in accordance with this section shall retain its
2 19 confidentiality and only be used by the licensee in the
2 20 pursuit of debt collection duties and practices. An employee
2 21 or prior employee of a licensee who unlawfully discloses any
2 22 such information for any other purpose, except as otherwise
2 23 specifically authorized by law, shall be subject to the same
2 24 penalties specified by law for unauthorized disclosure of
2 25 confidential information by an agent or employee of the
2 26 licensee.

2 27 6. Except as otherwise provided in this chapter,
2 28 attachments, setoffs, or executions authorized and issued
2 29 pursuant to law shall be withheld if timely served upon the
2 30 licensee.

2 31 Sec. 4. Section 99F.1, Code Supplement 2007, is amended by
2 32 adding the following new subsection:

2 33 NEW SUBSECTION. 3A. "Claimant agency" means a state
2 34 agency as defined in section 8A.504, subsection 1, or the
2 35 state court administrator as defined in section 602.1101.

3 1 Sec. 5. Section 99F.4, Code Supplement 2007, is amended by
3 2 adding the following new subsection:

3 3 NEW SUBSECTION. 26. To require licensees to establish a
3 4 process with the state for licensees to have electronic access
3 5 to names and social security numbers of debtors of claimant
3 6 agencies through a secured interactive web site maintained by
3 7 the state.

3 8 Sec. 6. NEW SECTION. 99F.19 SETOFF.

3 9 1. A claimant agency shall make available to a licensee
3 10 through the process established in section 99F.4, subsection
3 11 26, a list of the names of all persons indebted to such
3 12 claimant agency or to a person on whose behalf the claimant
3 13 agency is acting. The list shall contain the names of the
3 14 debtors, their social security numbers, and any other
3 15 information that assists the licensee in identifying the
3 16 debtors named in the list. Such list shall constitute a valid
3 17 lien upon and claim of lien against the winnings of any debtor
3 18 named in such list. If a debtor's winnings meet the minimum
3 19 level for state income tax withholding in section 422.16,
3 20 subsection 1, paragraph "d", the full amount of the debt shall
3 21 be collectible from any winnings due the debtor without regard
3 22 to limitations on the amounts that may be collectible in
3 23 increments through setoff or other proceedings.

3 24 2. The licensee is authorized and directed to withhold any
3 25 winnings of a debtor which are paid out directly by the
3 26 licensee subject to the lien created by this section and
3 27 provide notice of such withholding to the winner when the
3 28 winner appears and claims winnings in person. The licensee
3 29 shall pay the funds over to the collection entity which
3 30 administers the setoff program pursuant to section 8A.504.

3 31 3. Notwithstanding any other provision of law to the
3 32 contrary, the licensee may provide to a claimant agency all
3 33 information necessary to accomplish and effectuate the intent
3 34 of this section, and likewise the claimant agency may provide
3 35 all information necessary to accomplish and effectuate the
4 1 intent of this section.

4 2 4. The information obtained by a claimant agency from the
4 3 licensee in accordance with this section shall retain its
4 4 confidentiality and shall only be used by a claimant agency in
4 5 the pursuit of its debt collection duties and practices. An
4 6 employee or prior employee of a claimant agency who unlawfully
4 7 discloses any such information for any other purpose, except
4 8 as otherwise specifically authorized by law, shall be subject
4 9 to the penalties specified by law for unauthorized disclosure
4 10 of confidential information by an agent or employee of the
4 11 claimant agency.

4 12 5. The information obtained by a licensee from a claimant
4 13 agency in accordance with this section shall retain its
4 14 confidentiality and only be used by the licensee in the
4 15 pursuit of debt collection duties and practices. An employee
4 16 or prior employee of a licensee who unlawfully discloses any
4 17 such information for any other purpose, except as otherwise
4 18 specifically authorized by law, shall be subject to the same
4 19 penalties specified by law for unauthorized disclosure of
4 20 confidential information by an agent or employee of the
4 21 licensee.

4 22 6. Except as otherwise provided in this chapter,
4 23 attachments, setoffs, or executions authorized and issued
4 24 pursuant to law shall be withheld if timely served upon the

4 25 licensee.

4 26 Sec. 7. NEW SECTION. 321.11A PERSONAL INFORMATION

4 27 DISCLOSURE == EXCEPTION.

4 28 1. Notwithstanding section 321.11, the department, upon
4 29 request, shall provide personal information that identifies a
4 30 person by the social security number of the person to the
4 31 following:

4 32 a. The centralized collection unit of the department of
4 33 revenue for the purpose of collecting debt deemed delinquent
4 34 as provided in section 602.8107.

4 35 b. The department of administrative services for the
5 1 purpose of administering the setoff program pursuant to
5 2 section 8A.504.

5 3 2. The social security number obtained by the centralized
5 4 collection unit or the department of administrative services
5 5 shall retain its confidentiality and shall only be used for
5 6 the purposes provided in this section.

5 7 Sec. 8. Section 321.210B, subsection 1, Code Supplement
5 8 2007, is amended to read as follows:

5 9 1. If a person's fine, penalty, surcharge, or court cost
5 10 is deemed delinquent as provided in section 602.8107,
5 11 subsection ~~3~~ 2, and the person's driver's license has been
5 12 suspended pursuant to section 321.210A, the person may execute
5 13 an installment agreement with the county attorney or the
5 14 county attorney's designee to pay the delinquent amount and
5 15 the fee assessed in subsection 7 in installments. The county
5 16 attorney on the first day of each month shall file a list of
5 17 the cases with the clerk of the district court in which the
5 18 county attorney or the county attorney's designee is pursuing
5 19 the collection of court debt through an installment agreement.

5 20 Prior to execution of the installment agreement, the person
5 21 shall provide the county attorney or the county attorney's
5 22 designee with a financial statement in order for the parties
5 23 to the agreement to determine the amount of the installment
5 24 payments.

5 25 Sec. 9. Section 321.210B, subsection 11, Code Supplement
5 26 2007, is amended to read as follows:

5 27 11. If a new fine, penalty, surcharge, or court cost is
5 28 imposed on a person after the person has executed an
5 29 installment agreement with the county attorney or the county
5 30 attorney's designee, and the new fine, penalty, surcharge, or
5 31 court cost is deemed delinquent as provided in section
5 32 602.8107, subsection ~~3~~ 2, and the person's driver's license
5 33 has been suspended pursuant to section 321.210A, the person
5 34 may enter into a second installment agreement with the county
5 35 attorney or county attorney's designee to pay the delinquent
6 1 amount and the fee, if assessed, in subsection 7 in
6 2 installments.

6 3 Sec. 10. Section 321.210B, subsection 14, Code Supplement
6 4 2007, is amended to read as follows:

6 5 14. Except for the civil penalty if assessed and collected
6 6 pursuant to subsection 7, any amount collected under the
6 7 installment agreement shall be distributed as provided in
6 8 section 602.8107, subsection ~~4~~ 3.

6 9 Sec. 11. Section 331.756, subsection 5, paragraph d, Code
6 10 Supplement 2007, is amended to read as follows:

~~6 11 d. All fines, penalties, court costs, fees, and~~
~~6 12 restitution for court-appointed attorney fees ordered pursuant~~
~~6 13 to section 815.9, including the expenses of a public defender~~
~~6 14 which are delinquent as defined in section 602.8107 may be~~
~~6 15 collected by the county attorney or the county attorney's~~
~~6 16 designee.~~ The county attorney or the county attorney's
6 17 designee may collect delinquent obligations under an
6 18 installment agreement pursuant to section 321.210B.

6 19 Sec. 12. Section 331.756, subsection 5, paragraph e, Code
6 20 Supplement 2007, is amended by striking the paragraph.

6 21 Sec. 13. Section 602.8102, Code Supplement 2007, is
6 22 amended by adding the following new subsection:

6 23 NEW SUBSECTION. 105B. Facilitate the collection of court
6 24 debt pursuant to section 602.8107.

6 25 Sec. 14. Section 602.8105, subsection 2, paragraph e, Code
6 26 Supplement 2007, is amended to read as follows:

6 27 e. For filing a praecipe to issue execution under chapter
6 28 626, twenty-five dollars. The fee shall be recoverable by the
6 29 creditor against whom the execution is issued. A fee payable
6 30 by a political subdivision of the state under this paragraph
6 31 shall be collected by the clerk of the district court as
6 32 provided in section 602.8109. ~~However, the fee shall be~~
~~6 33 waived and shall not be collected from a political subdivision~~
~~6 34 of the state if a county attorney or county attorney's~~
~~6 35 designee is collecting a delinquent judgment pursuant to~~

~~7 1 section 602.8107, subsection 4.~~
7 2 Sec. 15. Section 602.8107, Code Supplement 2007, is
7 3 amended to read as follows:
7 4 602.8107 COLLECTION OF FINES, PENALTIES, FEES, COURT
7 5 COSTS, SURCHARGES, AND RESTITUTION.
7 6 1. As used in this section, "court debt" means all fines,
7 7 penalties, court costs, fees, forfeited bail, surcharges under
7 8 chapter 911, victim restitution, restitution for
7 9 court-appointed attorney fees or for expenses of a public
7 10 defender, or fees charged pursuant to section 356.7 or
7 11 904.108.
7 12 ~~1- 2. CLERK OF THE DISTRICT COURT COLLECTION. Restitution~~
7 13 ~~as defined in section 910.1 and all other fines, penalties,~~
7 14 ~~fees, court costs, and surcharges owing and payable to the~~
7 15 ~~clerk Court debt shall be paid owed and payable to the clerk~~
7 16 ~~of the district court. All amounts collected shall be~~
7 17 ~~distributed pursuant to sections 602.8106 and 602.8108 or as~~
7 18 ~~otherwise provided by this Code. The clerk may accept payment~~
7 19 ~~of an obligation or a portion thereof by credit card. Any~~
7 20 ~~fees charged to the clerk with respect to payment by credit~~
7 21 ~~card may be paid from receipts collected by credit card.~~
7 22 ~~2- a. If the clerk receives payment from a person who is~~
7 23 ~~an inmate of at a state institution correctional institution~~
7 24 ~~or who is under the supervision of a judicial district~~
7 25 ~~department of correctional services, the payment shall be~~
7 26 ~~applied to the balance owed under the identified case number~~
7 27 ~~of the case which has resulted in the placement of the person~~
7 28 ~~in at a state institution correctional institution or under~~
7 29 ~~the supervision of the judicial district department of~~
7 30 ~~correctional services.~~
7 31 ~~b. If a case number is not identified, the clerk shall~~
7 32 ~~apply the payment to the balance owed in the criminal case~~
7 33 ~~with the oldest judgment against the person.~~
7 34 ~~c. Payments received under this section shall be applied~~
7 35 ~~in the following priority order:~~
8 1 ~~a- (1) Pecuniary damages as defined in section 910.1,~~
8 2 ~~subsection 3.~~
8 3 ~~b- (2) Fines or penalties and criminal penalty and law~~
8 4 ~~enforcement initiative surcharges.~~
8 5 ~~c- (3) Crime victim compensation program reimbursement.~~
8 6 ~~d- (4) Court costs, including correctional fees assessed~~
8 7 ~~pursuant to sections 356.7 and 904.108, court-appointed~~
8 8 ~~attorney fees, or public defender expenses.~~
8 9 ~~3- d. A fine, penalty, court cost, fee, or surcharge The~~
8 10 ~~court debt is deemed delinquent if it is not paid within six~~
8 11 ~~months after the date it is assessed. An amount which was~~
8 12 ~~ordered by the court to be paid on a date fixed in the future~~
8 13 ~~pursuant to section 909.3 is deemed delinquent if it is not~~
8 14 ~~received by the clerk within six months after the fixed future~~
8 15 ~~date set out in the court order. If an amount was ordered to~~
8 16 ~~be paid by installments, and an installment is not received~~
8 17 ~~within thirty days after the date it is due, the entire amount~~
8 18 ~~of the judgment court debt is deemed delinquent.~~
8 19 ~~e. Court debt is a charge against and a lien upon an~~
8 20 ~~estate subject to the provisions of chapter 633, and all~~
8 21 ~~property of an estate or owned by a decedent is subject to the~~
8 22 ~~charge or lien. Notice of the lien is not required to be~~
8 23 ~~recorded and notice of the claim is not required to be filed~~
8 24 ~~to preserve such claim.~~
8 25 ~~4. All fines, penalties, court costs, fees, surcharges,~~
8 26 ~~and restitution for court-appointed attorney fees or for~~
8 27 ~~expenses of a public defender which are deemed delinquent by~~
8 28 ~~the clerk pursuant to subsection 3 may be collected by the~~
8 29 ~~county attorney or the county attorney's designee.~~
8 30 3. COUNTY ATTORNEY COLLECTION. The amounts collected
8 31 pursuant to an installment agreement under section 321.210B by
8 32 the county attorney shall be distributed as provided in this
8 33 subsection.
8 34 a. Thirty-five percent of the amounts collected by the
8 35 county attorney or the person procured or designated by the
9 1 county attorney shall be deposited in the general fund of the
9 2 county if the county attorney has filed the notice required in
9 3 section 331.756, subsection 5 321.210B, subsection 1, unless
9 4 the county attorney has discontinued collection efforts on a
9 5 particular delinquent amount. Up to one million two hundred
9 6 thousand dollars of the remainder shall be paid each fiscal
9 7 year to the clerks for distribution under section 602.8108.
9 8 If the threshold amount of one million two hundred thousand
9 9 dollars has been distributed under section 602.8108, the
9 10 remainder shall be distributed as provided in subsection 5
9 11 paragraph "b".

~~9 12 This subsection does not apply to amounts collected for
9 13 victim restitution, the victim compensation fund, criminal
9 14 penalty surcharge, law enforcement initiative surcharge,
9 15 county enforcement surcharge, amounts collected as a result of
9 16 procedures initiated under subsection 6 or under section
9 17 8A.504, or fees charged pursuant to section 356.7.~~

~~9 18 The county attorney shall file with the clerk of the
9 19 district court a notice of the satisfaction of each obligation
9 20 to the full extent of the moneys collected in satisfaction of
9 21 the obligation. The clerk of the district court shall record
9 22 the notice and enter a satisfaction for the amounts collected.~~

~~9 23 5. b. Any additional moneys collected in excess of the
9 24 threshold amount under subsection 4 paragraph "a" shall be
9 25 distributed by the state court administrator as follows:
9 26 thirty-five percent of any additional moneys collected by the
9 27 county attorney or the person procured or designated by the
9 28 county attorney shall be deposited in the general fund of the
9 29 county where the moneys were collected; thirty-three percent
9 30 of any additional moneys collected by the county attorney or
9 31 the person procured or designated by the county attorney shall
9 32 be deposited with the office of the county attorney that
9 33 collected the moneys; and the remainder shall be paid to the
9 34 clerk of the district court for distribution under section
9 35 602.8108 or the state court administrator may distribute the
10 1 remainder under section 602.8108 if the additional moneys have
10 2 already been received by the state court administrator.~~

~~10 3 c. The county attorney shall file with the clerk of the
10 4 district court a notice of the satisfaction of each obligation
10 5 to the full extent of the moneys collected in satisfaction of
10 6 the obligation. The clerk of the district court shall record
10 7 the notice and enter a satisfaction for the amounts collected.~~

~~10 8 6. 4. ASSIGNMENT TO DEPARTMENT OF REVENUE FOR COLLECTION.
10 9 If a county attorney does not file the notice and list of
10 10 cases required in section 331.756, subsection 5, including the
10 11 list of installment agreements under section 321.210B, the
10 12 judicial branch may assign cases to the centralized collection
10 13 unit of the department of revenue or its designee to collect
10 14 debts owed to the clerk of the district court. In addition,
10 15 an installment agreement in default that remains delinquent
10 16 may also be assigned to the centralized collection unit of the
10 17 department of revenue or its designee. Thirty days after
10 18 court debt has been assessed, or if an installment payment is
10 19 not received within thirty days after the date it is due, and
10 20 the county attorney has not filed a notice pursuant to section
10 21 321.210B, subsection 1, the judicial branch shall assign the
10 22 case and the unpaid court debt for collection, for a period of
10 23 two years, to the centralized collection unit of the
10 24 department of revenue or its designee.~~

~~10 25 a. The department of revenue may impose a fee established
10 26 by rule to reflect the cost of processing which shall be added
10 27 to the debt owed to the clerk of the district court. Any
10 28 amounts collected by the unit will first be applied to the
10 29 processing fee. The remaining amounts shall be remitted to
10 30 the clerk of the district court for the county in which the
10 31 debt is owed and distributed as provided in subsection 2. The
10 32 judicial branch may prescribe rules to implement this section.
10 33 These rules may provide for remittance of processing fees to
10 34 the department of revenue or its designee.~~

~~10 35 b. If portions of the court debt are paid directly to the
11 1 clerk of the district court by the person owing the debt while
11 2 the court debt is assigned to the department of revenue, the
11 3 amounts collected shall be distributed as provided in
11 4 subsection 2.~~

~~11 5 c. Satisfaction of the outstanding obligation occurs only
11 6 when all fees or charges and the outstanding obligation are
11 7 paid in full. Payment of the outstanding obligation only
11 8 shall not be considered payment in full for satisfaction
11 9 purposes.~~

~~11 10 d. The department of revenue or its collection designee
11 11 shall file with the clerk of the district court a notice of
11 12 the satisfaction of each obligation to the full extent of the
11 13 moneys collected in satisfaction of the obligation. The clerk
11 14 of the district court shall record the notice and enter a
11 15 satisfaction for the amounts collected.~~

~~11 16 5. REASSIGNMENT TO CLERK OF THE DISTRICT COURT. If after
11 17 two years, portions of the court debt remain uncollected in a
11 18 case after collection efforts pursuant to subsection 4, the
11 19 case shall be assigned back to the clerk of the district
11 20 court, and prepared for sale pursuant to subsection 6.
11 21 Payments on the court debt assigned back to the clerk of the
11 22 district court shall be collected and distributed pursuant to~~

11 23 subsection 2 until such time the court debt is sold pursuant
11 24 to subsection 6.

11 25 6. SALE OF COURT DEBT.

11 26 a. The judicial branch shall bundle and sell delinquent
11 27 court debt that has been assigned back to the clerk of the
11 28 district court pursuant to subsection 5 to a private
11 29 collection agency for collection on at least a quarterly
11 30 basis.

11 31 b. If the court debt is sold in a case, the clerk of the
11 32 district court shall cause a notice of the court debt sold to
11 33 be recorded and the clerk of the district court shall enter a
11 34 satisfaction by sale for the portions of the court debt sold
11 35 in the case.

12 1 c. (1) Unpaid portions of the court debt for victim
12 2 restitution, surcharge amounts not payable to the state, or
12 3 fees charged pursuant to section 356.7 shall not be sold but
12 4 shall be collected and distributed by the clerk of the
12 5 district court pursuant to subsection 2. The victim
12 6 restitution, surcharge amounts not payable to the state, and
12 7 fees charged pursuant to section 356.7 shall be collected
12 8 until paid, or until written off pursuant to subsection 7.

12 9 (2) Court debt of a person who is an inmate at a
12 10 correctional institution or who is under supervision of a
12 11 judicial district department of correctional services shall
12 12 not be sold but shall be collected and distributed pursuant to
12 13 subsection 2.

12 14 d. The first one million nine hundred thousand dollars
12 15 collected from the sale of court debt during each fiscal year
12 16 shall be deposited into the revolving fund established
12 17 pursuant to section 602.1302 to be used for the payment of
12 18 jury and witness fees and mileage. After the one million nine
12 19 hundred thousand dollar threshold has been met in a fiscal
12 20 year, the remaining amounts collected from the sale of the
12 21 court debt shall be deposited with the treasurer of state for
12 22 deposit in the general fund of the state within ten days of
12 23 each sale.

12 24 7. WRITE OFF OLD DEBT. If any portion of the court debt
12 25 in a case remains uncollected after sixty-five years from the
12 26 date of imposition, the judicial branch shall write off the
12 27 debt as uncollectible and close the case file for the purposes
12 28 of collection pursuant to this section.

12 29 8. REPORTS. The judicial branch shall prepare a report
12 30 aging the court debt. The report shall also include the
12 31 number of show cause hearings held during the fiscal year for
12 32 persons owing court debt and the number of warrants issued
12 33 related to such hearings. In addition, the report shall
12 34 include the amounts written off pursuant to subsection 7. The
12 35 judicial branch shall provide the report to the
13 1 co-chairpersons and ranking members of the joint
13 2 appropriations subcommittee on the justice system, the
13 3 legislative services agency, and the department of management
13 4 by December 15 of each year.

13 5 Sec. 16. Section 633.3, subsection 4, Code 2007, is
13 6 amended to read as follows:

13 7 4. Charges == includes costs of administration, funeral
13 8 expenses, cost of monument, ~~and~~ federal and state estate
13 9 taxes, and court debt owed pursuant to section 602.8107.

13 10 Sec. 17. Section 633.436, unnumbered paragraph 1, Code
13 11 2007, is amended to read as follows:

13 12 Except as provided in sections 633.211 and 633.212, shares
13 13 of the distributees shall abate, for the payment of debts and
13 14 charges, federal and state estate taxes, court debt owed
13 15 pursuant to section 602.8107, legacies, the shares of children
13 16 born or adopted after the making of a will, or the share of
13 17 the surviving spouse who elects to take against the will,
13 18 without any preference or priority as between real and
13 19 personal property, in the following order:

13 20 Sec. 18. NEW SECTION. 901.5C PRONOUNCEMENT OF JUDGMENT
13 21 AND SENTENCE == SOCIAL SECURITY NUMBER.

13 22 1. Prior to pronouncement of judgment and sentence
13 23 pursuant to section 901.5, or prior to pleading guilty for an
13 24 offense that does not require a court appearance, the
13 25 defendant shall provide the defendant's social security number
13 26 to the clerk of the district court or the court.

13 27 2. The clerk of the district court shall duly note the
13 28 social security number in the case file.

13 29 3. The defendant's social security number shall be
13 30 considered a confidential record exempted from public access
13 31 under section 22.7, but shall be disclosed by the clerk of the
13 32 district court for the limited purpose of collecting court
13 33 debt pursuant to section 602.8107.

13 34 Sec. 19. Section 909.8, Code 2007, is amended to read as
13 35 follows:

14 1 909.8 PAYMENT AND COLLECTION PROVISIONS APPLY TO
14 2 SURCHARGE.

14 3 The provisions of this chapter governing the payment and
14 4 collection of a fine, except section 909.3A, also apply to the
14 5 payment and collection of surcharges imposed pursuant to
14 6 chapter 911. ~~However, section 909.10 shall not apply to~~
~~14 7 surcharges assessed under sections 911.3 and 911.4.~~

14 8 Sec. 20. Section 909.10, Code 2007, is repealed.

14 9 Sec. 21. ONE-TIME SALE OF COURT DEBT.

14 10 1. By September 1, 2008, all cases with delinquent court
14 11 debt that are not being collected by the centralized
14 12 collection unit of the department of revenue or being
14 13 collected by county attorneys pursuant to section 321.210B,
14 14 shall be bundled by the judicial branch and sold to a private
14 15 collection agency for collection.

14 16 2. If the court debt is sold in a case, the clerk of the
14 17 district court shall cause a notice of the court debt sold to
14 18 be recorded and the clerk of the district court shall enter a
14 19 satisfaction by sale for the portions of the court debt sold
14 20 in the case.

14 21 3. Unpaid portions of the court debt for victim
14 22 restitution, surcharge amounts not payable to the state, or
14 23 fees charged pursuant to section 356.7, shall not be sold.

14 24 4. Court debt of a person who is an inmate at a
14 25 correctional institution or who is under supervision of a
14 26 judicial district department of correctional services shall
14 27 not be sold but shall be collected and distributed pursuant to
14 28 section 602.8107, subsection 2.

14 29 5. Within ten days of the sale of the debt, the state
14 30 court administrator shall deposit the proceeds from the sale
14 31 of the court debt with the treasurer of state for deposit in
14 32 the general fund of the state.

14 33 EXPLANATION

14 34 This bill relates to the collection of delinquent debt owed
14 35 the state and political subdivisions of the state.

15 1 The bill provides that the state racing and gaming
15 2 commission shall require licensees under Code chapter 99D
15 3 (pari-mutuel wagering) and Code chapter 99F (gambling boats,
15 4 structures, and racetracks) to establish a process for
15 5 licensees to have electronic access to names and social
15 6 security numbers of debtors of claimant agencies through a
15 7 secured interactive web site maintained by the state.

15 8 The bill defines "claimant agency" to mean a "state agency"
15 9 as defined in Code section 8A.504. Thus, a "claimant agency"
15 10 under the bill means a board, commission, department,
15 11 including the department of administrative services, or other
15 12 administrative office or unit of the state of Iowa or any
15 13 other state entity reported in the Iowa comprehensive annual
15 14 financial report, or a political subdivision of the state, or
15 15 an office or unit of a political subdivision. "Claimant
15 16 agency" does include the clerk of the district court as it
15 17 relates to the collection of a qualifying debt and the state
15 18 court administrator. "Claimant agency" does not include the
15 19 general assembly or the governor.

15 20 Under the bill, the licensee is authorized and directed to
15 21 withhold winnings paid out directly by the licensee, subject
15 22 to the lien created by the bill. The licensee is not required
15 23 to withhold winnings that are less than the amounts required
15 24 for state income tax withholding pursuant to Code section
15 25 422.16(1)(d). The bill directs the licensee to pay the funds
15 26 collected to the collection entity which administers the
15 27 setoff program pursuant to Code section 8A.504.

15 28 The bill provides that, notwithstanding any other provision
15 29 of law to the contrary, the licensee and the claimant agency
15 30 may exchange necessary information to effectuate the bill.
15 31 The bill also provides that information obtained by the
15 32 claimant agency or the licensee shall not be disclosed for any
15 33 other purpose but to effectuate the bill. If information is
15 34 improperly disclosed by an employee or former employee of a
15 35 claimant agency or licensee, the person is subject to
16 1 penalties specified by law for unauthorized disclosure of
16 2 confidential information by an agent or employee.

16 3 The bill permits the centralized collection unit of the
16 4 department of revenue and the department of administrative
16 5 services, upon request, to obtain the social security number
16 6 of a person in the databases kept by the department of
16 7 transportation, for the purpose of collecting delinquent debt.

16 8 The bill strikes provisions permitting a county attorney to
16 9 retain certain portions of court debt collected pursuant to

16 10 current Code section 602.8107, subsections 4 and 5. However,
16 11 the installment agreement program instituted by a county
16 12 attorney under Code section 321.210B is maintained by the
16 13 bill, and moneys collected by the county attorney shall be
16 14 distributed pursuant to Code section 602.8107, subsection 3,
16 15 as amended by the bill.

16 16 The bill requires a defendant, prior to pronouncement of
16 17 judgment, or prior to pleading guilty for an offense that does
16 18 not require a court appearance, to provide the clerk of the
16 19 district court or the court with the defendant's social
16 20 security number for the purpose of collecting court debt.

16 21 The bill provides that court debt is a charge against a
16 22 lien upon an estate subject to the provisions of Code chapter
16 23 633. Under the bill, notice of the lien is not required to be
16 24 recorded and notice of the claim is not required to be filed
16 25 to preserve such claim.

16 26 The bill provides that 30 days after court debt has been
16 27 assessed or if an installment payment has not been received
16 28 within 30 days of the date the payment is due, and the county
16 29 attorney has not filed a notice to collect pursuant to an
16 30 installment agreement, the judicial branch shall assign a case
16 31 with unpaid court debt to the centralized collection unit of
16 32 the department of revenue or its designee for collection.

16 33 The bill provides that the centralized collection unit of
16 34 the department of revenue or its designee shall attempt to
16 35 collect the court debt for a period of two years. Any moneys
17 1 collected by the centralized collection unit are remitted,
17 2 after a processing fee is collected by the centralized
17 3 collection unit, to the clerk of the district court of the
17 4 county where the debt is owed, for distribution as provided in
17 5 Code section 602.8107, subsection 2, as amended by the bill.

17 6 If the court debt in a case remains unpaid after collection
17 7 efforts by the centralized collection unit, the case shall be
17 8 assigned back to the clerk of the district court and prepared
17 9 for sale. Payments on the court debt in a case assigned back
17 10 to the clerk of the district court shall be collected and
17 11 distributed as provided in Code section 602.8107, subsection
17 12 2, as amended by the bill, prior to any sale.

17 13 The judicial branch, on at least a quarterly basis, shall
17 14 bundle cases with delinquent court debt and sell such debt at
17 15 a discount to a private collection agency for collection.
17 16 Under the bill, the court debt eligible for sale includes
17 17 fines, penalties, court costs, fees, portions of a surcharge
17 18 payable to the state, and restitution for court-appointed
17 19 attorney fees or for expenses of a public defender.

17 20 The bill prohibits the sale of court debt related to victim
17 21 restitution, portions of a surcharge not payable to the state,
17 22 and fees charged pursuant to Code section 356.7. Victim
17 23 restitution, portions of a surcharge not payable to the state,
17 24 and fees charged pursuant to Code section 356.7 shall be
17 25 collected by the clerk of the district court and distributed
17 26 pursuant to Code section 602.8107, subsection 2, as amended by
17 27 the bill, until such time the debt is paid or until the debt
17 28 is written off as provided under the provisions of the bill.

17 29 The bill also prohibits the sale of court debt of a person
17 30 who is an inmate at a correctional institution or under
17 31 supervision of a judicial district department of correctional
17 32 services. The bill provides that court debt paid by an inmate
17 33 or by a person under supervision shall be collected and
17 34 distributed by the clerk of the district court pursuant to
17 35 Code section 602.8107, subsection 2.

18 1 Under the bill, if court debt is sold in a case the clerk
18 2 of the district court shall record a satisfaction by sale for
18 3 the portions of the court debt sold.

18 4 Under the bill, the first \$1.9 million collected from the
18 5 sale of court debt during each fiscal year shall be deposited
18 6 into the revolving fund established pursuant to Code section
18 7 602.1302 to be used for the payment of jury and witness fees
18 8 and mileage. After the \$1.9 million threshold has been
18 9 achieved in a fiscal year, the remaining amounts collected
18 10 from the sale of the court debt shall be deposited with the
18 11 treasurer of state for deposit in the general fund of the
18 12 state within 10 days of each sale.

18 13 The bill requires the judicial branch to write off as
18 14 uncollectible any court debt that remains uncollected after 65
18 15 years from the date of imposition.

18 16 The bill requires the judicial branch to prepare a report
18 17 aging the court debt. The report shall also include the
18 18 number of show cause hearings held during the fiscal year for
18 19 persons owing debt and the number of warrants issued related
18 20 to such hearings. In addition, the report shall include the

18 21 court debt written off each fiscal year. The bill requires
18 22 the judicial branch to provide the report to the
18 23 co-chairpersons and ranking members of the joint
18 24 appropriations subcommittee on the justice system, the
18 25 legislative services agency, and the department of management
18 26 by December 15 of each year.

18 27 The bill requires the judicial branch to administer a
18 28 one-time sale of accumulated delinquent court debt by
18 29 September 1, 2008. The bill provides that the court debt
18 30 eligible for a one-time sale includes fines, penalties, court
18 31 costs, fees, portions of a surcharge payable to the state, and
18 32 restitution for court-appointed attorney fees or for expenses
18 33 of a public defender.

18 34 The bill prohibits the one-time sale of accumulated court
18 35 debt related to victim restitution, portions of a surcharge
19 1 not payable to the state, and fees charged pursuant to Code
19 2 section 356.7.

19 3 The bill also prohibits the one-time sale of accumulated
19 4 court debt of a person who is an inmate at a correctional
19 5 institution or under supervision of a judicial district
19 6 department of correctional services.

19 7 The judicial branch shall sell such debt to a private
19 8 collection agency for collection. The bill requires the clerk
19 9 of the district court to record a satisfaction by sale for the
19 10 portion of the court debt sold in a case. The bill requires
19 11 the state court administrator to deposit the proceeds from the
19 12 one-time sale of the court debt with the treasurer of state
19 13 for deposit in the general fund of the state.

19 14 The bill repeals Code section 909.10 that permits certain
19 15 delinquent court debt to be deposited into the jury and
19 16 witness fee fund if the debt is collected two years after
19 17 imposition of the court debt.

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